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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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37311	7590	07/06/2005	EXAMINER	
LORETTA F. SMITH 35 SOUTH WHITE HORSE PIKE #207 AUDUBON, NJ 08106			MYHRE, JAMES W	
			ART UNIT	PAPER NUMBER

3622

DATE MAILED: 07/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/912,591

Applicant(s)GALLAGHER, P. CHRISTOPHER
J.**Examiner**

James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 February 2005.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-149 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-149 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. The amendment filed on February 22, 2005 has been considered but is ineffective to overcome the Kalina (6,243,688) reference. The amendment did not add or delete any claims, but amended Claims 1, 33, 52, 64, 72, 77, and 86. The currently pending claims considered below remain Claims 1-149.

Claim Objections

2. The amendment of February 22, 2005 corrected the typographical error in Claim 33 as objected to in paragraph 2 of the September 17, 2004 Office Action. Therefore, the Examiner hereby withdraws that objection.

Claim Rejections - 35 USC § 101

3. The amendment of February 22, 2005 amended the independent claims to include the use of technology, thus overcoming the rejection of Claims 1-36, 72-74, 77-80, 86, and 87 in paragraph 3 of the September 17, 2004 Office Action. Therefore, the examiner hereby withdraws that rejection.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 140-143 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

6. Claims 140-143 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are the structural components of the claimed apparatus. While the claims are directed towards an apparatus for carrying out an incentive award program, no structure for the apparatus is claimed, only the steps of a method to be performed by the apparatus. The Examiner assumes that the Applicant was attempting to convert the steps of method Claim 72 into an apparatus claim in much the same manner as apparatus Claim 98 mirrors method Claim 1, apparatus Claim 140 mirrors method Claim 37, etc. and inadvertently forgot to include the computer memory storage device, computer processor, and storage device as in the other apparatus claims. Corrective action is required.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

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A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

8. Claims 1-8, 10-45, 47-85, 91-105, 107-145, 148, and 149 are rejected under 35 U.S.C. 102(e) as being anticipated by Kalina (6,243,688).

Claims 1, 37, 72, 77, 81, 91, 98, 134, 140, 144, and 148: Kalina

discloses a method and apparatus for an incentive award program, comprising:

- a. participating in a transaction having at least two transacting parties (merchant and customer)(col 5, line 61 – col 6, line 14);
- b. determining at least one of the transacting parties to be a recipient of an incentive award offered by the owner of the incentive award program, the incentive being at least one investment chosen from a plurality of investment vehicles (col 6, lines 15-41);
- c. providing the chosen incentive award to the recipient (col 5, lines 35-37 and col 6, lines 15-41); and
- d. displaying a certifying mark identifying the incentive award program (col 5, line 66 – col 6, line 14).

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Claims 2, 14, 38, 52, 73, 78, 82, 92, 99, 135, 141, 145, and 149: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, 72, 77, 81, 86, 88, 91, 98, 134, 140, 144, 146, and 148 above, and further discloses the recipient choosing the at least one investment (col 2, lines 42-44 and col 5, lines 35-37).

Claims 3, 41, and 100: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, and 98 above, and further discloses that the participant is either one of the transacting parties or a third entity which only carries out the incentive program (col 4, line 53 – col 5, line 7).

Claims 4, 42, 51, and 101: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, and 98 above, and further discloses the transacting party is an entity engaging in a transaction (col 3, lines 18-52).

Claims 5, 43, and 102: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, and 98 above, and further discloses the total incentive award is the sum of all incentive awards provided to each recipient (col 6, lines 15-32).

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Claims 6, 44, and 103: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, and 98 above, and further discloses at least one transacting party pays a fee to the business entity providing the award program (col 4, lines 12-44).

Claims 7 and 104: Kalina discloses a method and apparatus for an incentive award program as in Claims 6 and 103 above, and further discloses at least one transacting party is a real estate agent and the recipient is at least one of the buyer, seller, lessor, lessee, real estate agent or agency, etc. (col 3, lines 50-52 and col 4, lines 35-37).

Claims 8, 45, 93, and 105: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, 91, and 98 above, and further discloses the business entity choosing the recipient (the reason why the business entity chooses the recipient is the intended use and/or desired outcome of using the invention – not part of the invention itself)(col 2, lines 42-47 and col 4, lines 1-10).

Claims 10, 35, 47, 70, 107, 132, and 138: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, 98, and 136 above, and further discloses the business entity chooses the investment vehicles from which the recipient selects (col 2, lines 42-47 and col 5, lines 8-26).

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Claims 11, 18, 29, 36, 48-50, 56, 66, 71, 108, 115, 133, and 139: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 28, 35, 37, 39, 65, 70, 98, 132, and 138 above, and further discloses various types of investment vehicles (col 5, lines 8-26).

Claims 12, 109, and 126: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 98, and 125 above, and further discloses the investment vehicle is a share of stock in the business entity (col 5, lines 8-26).

Claims 13 and 110: Kalina discloses a method and apparatus for an incentive award program as in Claims 1 and 98 above, and further discloses the investments having a range in degree of speculative risks (inherent in the wide range of possibly investment vehicles disclosed by Kalina)(col 5, lines 8-26).

Claims 15, 16, 19, 53, 54, 112, and 113: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 18, 37, and 98 above, and further discloses the value of the award is commensurate with the value (revenue) of the transaction (col 6, lines 15-32).

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Claims 17, 20, 55, and 114: Kalina discloses a method and apparatus for an incentive award program as in Claims 15, 18, 53, and 98 above, and further discloses the value of the transaction is measured by at least two factors, such as total revenue, profitability, geographic location, etc. (col 4, lines 1-11).

Claims 21, 22, 57-59, and 116-119: Kalina discloses a method and apparatus for an incentive award program as in Claims 18, 56, and 115 above, and further discloses the incentive award and ratios being adjusted over time (col 4, lines 1-11).

Claims 23, 60, 94, and 120: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, 92, and 98 above, and further discloses crediting the award into a recipient's account, providing a periodic account statement, and cashing-in the incentive award on behalf of the recipient (col 4, lines 1-11 and col 4, line 53 – col 5, line 7).

Claims 24, 61, and 121: Kalina discloses a method and apparatus for an incentive award program as in Claims 23, 60, and 120 above, and further discloses various types of fees received by the business entity (col 4, lines 12-44).

Claims 25, 62, and 122: Kalina discloses a method and apparatus for an incentive award program as in Claims 24, 61, and 121 above, and further discloses various entities paying the fees (col 4, lines 12-44). The Examiner notes that the scope

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of these claims is so broad as to include any entity in the world ("any transacting party and any non-transacting party").

Claims 26, 27, 63, 64, 123, and 124: Kalina discloses a method and apparatus for an incentive award program as in Claims 23, 60, and 120 above, and further discloses crediting at least a portion of the incentive award to the recipient's account (col 5, lines 35-37 and col 6, lines 15-41).

Claims 28, 65, 95, and 125: Kalina discloses a method and apparatus for an incentive award program as in Claims 27, 64, 91, and 124 above, and further discloses determining the monetary value of the recipient's account on a predetermined date (col 4, line 53 – col 5, line 7).

Claims 30, 67, and 127: Kalina discloses a method and apparatus for an incentive award program as in Claims 23, 60, and 120 above, and further discloses that incentive awards may have expiration dates (col 1, lines 31-32).

Claims 31, 32, 128, and 129 Kalina discloses a method and apparatus for an incentive award program as in Claims 30 and 127 above, and further discloses the recipient of business entity selecting the cash-in date prior to the expiration date (col 6, lines 33-40).

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Claims 33, 34, 68, 69, 96, 97, 130, and 131: Kalina discloses a method and apparatus for an incentive award program as in Claims 23, 60, 91, and 120 above, and further discloses cashing-in the incentive award by issuing investment instruments of the value of the incentive award (col 6, lines 33-40).

Claims 39, 40, 76, 136, 137, and 143: Kalina discloses a method and apparatus for an incentive award program as in Claims 37, 75, 134, and 142 above, and further discloses the transaction and award program being operated through websites on the Internet (col 5, lines 8-65).

Claim 74: Kalina discloses a method for an incentive award program as in Claim 72 above, and further discloses various types of transactions, such as credit, credit card, debit, debit card, Internet transactions, etc. (col 3, lines 28-52).

Claims 75 and 142: Kalina discloses a method and apparatus for an incentive award program as in Claims 74 and 140 above, and further discloses various communication means, such as electronic, telephonic, wireless means, etc. (col 3, lines 64-67 and col 4, lines 12-44).

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Claims 79, 83, and 84: Kalina discloses a method and apparatus for an incentive award program as in Claims 77 and 82 above, and further discloses the certifying mark identifying the business entity and owner or authorized operator (e.g. the business entity) of the incentive award program (col 5, line 66 – col 6, line 14).

Claims 80 and 85: Kalina discloses a method and apparatus for an incentive award program as in Claims 79 and 84 above, and further discloses the business entity granting a right to use the certifying mark to a transacting party (col 5, line 66 – col 6, line 14).

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 9, 46, and 106 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kalina (6,243,688).

Claims 9, 46, and 106: Kalina discloses a method and apparatus for an incentive award program as in Claims 1, 37, and 98 above, and further discloses the recipient selecting one or more investment vehicles for the incentive award. However it is not explicitly disclosed that the recipient designates at least one other party to receive at least part of the recipient's incentive award. However, Official Notice is taken that it is

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old and well known for award recipients to designate a third party to receive some or all of their benefits (awards), such as celebrities donating some or all of the proceeds from a performance to a charity; a customer donating some or all of the change due from a transaction to a local charity, church, or school; etc. Therefore, it would have been obvious to one having ordinary skill in the art to allow the recipient in Kalina to select at least one other entity to receive a portion or all of the recipient's incentive award, such as selecting a savings bond payable to one of their children. One would have been motivated to allow the recipient to select such an additional recipient in view of Kalina's disclosure of the recipient selecting the investment vehicle.

11. Claims 86-90, 146, and 147 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kalina (6,243,688) in view of Ferguson et al (5,991,736).

Claims 86, 88, and 146: Kalina discloses a method and apparatus for an incentive award program, comprising:

- a. participating in a transaction having at least two transacting parties (merchant and customer)(col 5, line 61 – col 6, line 14);
- b. determining at least one of the transacting parties to be a recipient of an incentive award offered by the owner of the incentive award program, the incentive being at least one investment chosen from a plurality of investment vehicles (col 6, lines 15-41); and
- c. providing the chosen incentive award to the recipient (col 5, lines 35-37 and col 6, lines 15-41).

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However, Kalina does not explicitly disclose also providing at least one transacting party with a chance to win at least one prize in a lottery. Ferguson discloses a similar method and apparatus for an incentive award program in which a transacting party's award account comprising at least one investment instrument, such as stocks, bonds, mutual funds, or an IRA (col 11, lines 29-35). Ferguson further discloses in the Background of the Invention section that award programs were known prior to 1997 in which the transacting party was awarded an "opportunity to win prizes such as merchandise, services, or vacation trips" (i.e. lottery or sweepstakes chances)(col 1, lines 43-44). Therefore, it would have been obvious to one having ordinary skill at the time the invention was made to also provide the transacting party in Kalina a chance to win at least one prize in a lottery. One would have been motivated to provide such a chance to the transacting party in order to give the customer some type of an incentive award that the sponsor thinks the customer will want" as discussed in Ferguson (col 1, lines 37-40).

Claims 87, 89, and 147: Kalina and Ferguson disclose a method and apparatus for an incentive award program as in Claims 86, 88, and 146 above, and Kalina further discloses the recipient choosing the at least one investment (col 2, lines 42-44 and col 5, lines 35-37).

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Claim 90: Kalina and Ferguson disclose a method and apparatus for an incentive award program as in Claims 86 and 88 above, and Kalina further discloses the value of the award is commensurate with the value (revenue) of the transaction (col 6, lines 15-32).

Response to Arguments

12. Applicant's arguments filed February 22, 2005 have been fully considered but they are not persuasive.

a. The Applicant argues that Kalina does not disclose "a business entity or an authorized operator carrying out the incentive award program" or "the step of providing the incentive award" (page 35). First the Examiner notes that, as the Applicant has cited, the claim limitation is that the incentive award program is carried out by a business entity (which would define any entity which engaged in any type of business activity – such as running an incentive award program) or an authorized operator (which would define any entity which was carrying out the incentive award program on behalf of the award program's sponsor (since the sponsor would not have to authorized itself). In other words, the claimed incentive award program could be carried out by any entity, including the third party entity disclosed as the central system in Kalina. In response to the Applicant's argument that the Kalina interchange is administered almost exclusively through a software program, the Examiner notes that any computerized award system is going to be administered through a software program – that is how computers operate. The arguments about creating income-generating potential for the business

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entity (or an other entity) that carries out the incentive award program are mute in that the Applicant is arguing about a possible, but desired, outcome of using the invention, not about the invention itself. Furthermore, Kalina discloses charging many types of fees, charges, and revenue shares while carrying out the incentive award program. It is inherent that at least a portion of these fees, charges, and revenue shares would be used to offset the cost of running the award program, especially since Kalina states that "numerous arrangements for paying the interchange fee or providing the revenue shares may be provided based upon the circumstances of the overall transaction and upon any applicable laws or regulations" (col 4, lines 40-44).

b. In response to the Applicant's arguments about the four exemplary benefits the business entity can provide (pages 36-37), the examiner notes that the Applicant is arguing features not present in the claims. Furthermore, as stated above, whether or not a share of equity becomes more valuable; what type of recipients are rewarded; whether or not the share's value was being diluted; and whether or not the business entity issues new shares or "recycles" old ones may be desirable outcomes or intended uses of the invention but, as such, do not affect the patentability or non-patentability of the claims.

c. The Applicant also argues that Kalina does not present the award in alternative ways depending upon whether or not the business entity can issue dilutive instruments (page 38). The Examiner notes that Kalina discloses awarding the transacting entity with investment instruments to include shares and that it is inherent that if the business entity (central system) cannot issue dilutive instruments, then it will

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not issue them. Likewise, if the business entity can issue them, then it will. The claims of this invention are directed towards carrying out an incentive award program in which the awards are investment vehicles (instruments). How the investment vehicles are issued or obtained, who is issuing or obtaining them, and what type of investment vehicles they are does not affect the steps within the incentive award program in either the Applicant's invention or in Kalina's.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Robinson et al (5,734,838) discloses a method and apparatus for an incentive award program in which a central office (business entity) awards incentives to a transacting entity and presents award account reports to the transacting entity.

b. Kalina (5,970,480) discloses a method and apparatus for an incentive award program in which a central office, such as a credit card issuing company, awards a transacting entity an award based on transactions at a plurality of merchants and uses the awards to obtain investment vehicles for the transacting entity.

c. Bachman et al (6,895,386) discloses a method and apparatus for an incentive award program which purchases assets, such as stock, for customers who perform transactions using a financial instrument, such as a credit or debit card.

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d. Hardesty et al (US 2004/0083183 A1) discloses a method and apparatus for an incentive award program which awards a transacting entity by investing in interest bearing investment accounts.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (571) 272-6722. The examiner can normally be reached Monday through Thursday from 5:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (571) 272-6724. The fax phone number for Formal or Official faxes to Technology Center 3600 is (571) 273-8300. Draft or Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (571) 273-6722.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (571) 272-3600.



JWM
June 30, 2005



James W. Myhre
Primary Examiner
Art Unit 3622